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THE WHITE HOUSE

WASHINGTON

To: Eli Segal
From: Steve Ricchetti
Re: 1/21/93 Mtg. with Sentator Nunn, Mikulski, Wofford,
Charles Moskos, Al From, Wil Marshall

I thought the meeting on National Service yesterday was very productive. You have Charles Moskos's memorandum which summarizes various implementation options. You should remember that he recommended that you consider going to Germany because of the level of success their program seems to be now enjoying.

Major points made by the other participants include:

Senator Nunn

- We must make sure we can quantify the value returned by the social service performed.
- We need to build on the current pilot programs -- they should be folded into the larger/new national service program.
- Demonstrate programs that work before going national.
- We need the program to have private sector investment (funding) both in the start-up and for the benefits received by the organization.
- Expressed concern that, contingent on the austerity proposed in the President's budget initiative, we move realistically toward establishing a secure appropriation for the program.
- Must show country that they are getting something for the program - a tangible social benefit (savings).

Senator Mikulski

- We need to make sure that we adhere to a program which has a small/manageable administrative structure.
- Must develop sense that there is a "special" quality to participation.
- We need to develop a framework for alumni participation.
- She favors a predominantly pre-service program, not only for college but for other potential training programs.

-- We must make sure that the work is commensurate with the skill levels of the participants.

-- Particularly concerned that the program reach out to people who might not normally 'see' the opportunity for advancement/development by participating in the service program.

-- You need to follow up with Senator Mikulski re: appropriations process.

Senator Wofford

-- Need to promote national ethic of public service (From's sense as well).

-- Not opposed to some mix (maybe 50-50) of pre and post service to receive benefits.

-- Favors a concept/program that is over-arching -- with the decentralized programs from around the country under this national umbrella.

-- The opportunity stipend should be matched by other sources whenever possible.

*

-- Suggested you look at Bill Buckley's book on subject - Gratitude.

-- Make sure we create bridges to traditional volunteer organizations with our new programs.

Ed Kilgore

-- Administrative models that work well in some areas may not work in others.

All the participants in the program suggested that the program can connect with a variety of potential sources below the federal level; state, private non-profit, community organizations. They stressed that we must have some kind of strong local support for the programs to succeed in each location.

From-Marshall suggested program start at 25,000 participants/year and build over 4 years to 100,000.

MEMORANDUM

TO: Eli, Rick, Jack, Shirley, Susan
FR: Robert
DA: April 7, 1993
RE: PLAN FOR DEVELOPING MODEL PROGRAMS

For two related reasons, we're going to begin meeting with program directors, organizers, and experts in a variety of fields:

1. To build support for national service outside the service community
2. To interest key leaders in service, and encourage them to design service programs that integrate their expertise.

Until we make another arrangement, Shirley, Susan, Cameron and I will coordinate our efforts. In general, as the area-by-area outline shows, we're going to ask experts to take the lead arranging meetings in each area: Katie McGinty on the environment, Rana Samson on crime, Peter and Shirley on human services and economic development, and Jacquie Lawing on housing. Davids Tatel and Haselkorn can do some of the education work, though not all of it, and we could use some health people with more time on their hands. The other areas should be fine.

Some general thoughts on what these meetings should include:

1. Outline of legislation and program examples -- make sure all these people know what national service is and how they can fit in.
2. Gathering of viable examples of service.
3. Work assignments for participants: to develop these examples, discuss program ideas with the people they represent, etc.
4. Plan for future meetings (once a month, maybe)

My understanding of our responsibilities is attached. Please tell me if it makes sense, or if it doesn't.

PROGRAM DEVELOPMENT

Environment

Katie McGinty, Pam McElwee x6224

1. Traditional environmental organizations
2. Corps programs
3. Urban environment groups
4. "High-tech" work
5. Agencies: Ag, Interior, EPA, Energy

(Friday 3:30, Eli meets with Katie)

Crime

Rana Samson x2164

1. Rana is arranging a general planning meeting on anti-drug initiatives, safe schools, etc., in addition to community-service officers. Attendees would include Catherine Milton, Herb Sturz, DoJ representative, and others who are friendly. This group will develop a plan for a series of meetings with experts and constituencies in particular fields. (planning mtg next week)
2. Community-service officers. Rana is laying the groundwork for a meeting with representatives of chiefs, unions, experts, etc. (week of 4/26)
3. Stopping violence against women, domestic violence, etc. Through the Women's Law Center or someplace else, Shirley will arrange a meeting. It can serve more broadly to involve women's organizations. (date ?)

Health/human service

Peter and Shirley

1. CHCs. Peter will work within HHS to develop contacts among those who coordinate CHCs. (date ?)
2. Health care reform. Shirley will find and work with the right task force members in areas including home health care and immunizations. (date ?)
3. Head Start. Meeting already held. Shirley and Robert to follow up.
4. Family Support. Shirley (April 15)
5. Welfare reform? Other?

Education

Susan and Robert, for now

1. K-12/service learning. Susan will call Barbara Gomez. (meeting next week)
2. K-12/school reform. Robert will arrange a "pre-meeting" on school reform and national service, with Chuck Supple, Ruby Anderson, Bill Galston, and Paul Jamieson. (meeting next week)
3. Coming off of "pre-meeting," a new meeting at Education, arranged with Paul Jamieson.
4. Also off of pre-meeting, David Haselkorn and David Tatel will continue to develop relationships with outside education folks (foundations, unions, etc.)

Housing/Economic Development

Peter and Jacquie Lawing (HUD - Robert will arrange)

Over the next month, Peter and Jacquie can arrange meetings on:

1. Homelessness/supported housing
2. Housing (to include YouthBuild)
3. CDCs and economic development (LISC, Peter's names)

Other

1. Civil Rights
2. Religious Organizations (Susan)
3. Commission -- technical assistance module on service-learning element of national service. (Shirley to Catherine)

File

MEMORANDUM

TO: Eli, Rick, Jack, Shirley, Susan
FR: Robert
DA: April 4, 1993
SUBJECT: OUR NEW EMPHASIS IN "NATIONAL SERVICE"

As Shirley said at a meeting with Head Start leaders last week, we are now gently shifting the emphasis in the definition of "national service." The usual definition emphasizes "citizenship" and seeks community change afterwards. Even City Year and Public Allies, two of our pet projects, are far stronger in "bringing people together" than in clearly getting things done.

In contrast, we are first thinking about clear impacts on communities. For us, as Martha Diepenbrock puts it in a remark in the Commission report, national service is a "way of getting things done." Improving citizenship is one such thing, but so is improving Head Start care, making our streets safe, educating our children, and so on. We are now emphasizing the latter kinds of things.

I think we have good reasons:

1. The public won't pay \$7 billion for mush. They'll pay for safer streets and better schools.
2. The citizenship stuff is only possible when people feel like they're being productive. In fact, it follows much more easily when there is a clear sense of real work. Meeting unmet needs doesn't displace the citizenship training, but makes it possible.

Our changed theoretical emphasis has some clear practical implications.

1. The Corporation and the state Commissions should have representation not only from experts in "service," but from experts in services -- health care, education and crime. We need Rana Sampsons and Alan Khazeis to work together making programs that work for server and served.
2. The staff of the Corporation should include very significant representation of "experts," or, alternatively, the Board should have "task forces" that develop plans for meeting needs in particular areas. The connection and cooperation of the service and the services people needs to be developed at every level.
3. We should continue reaching out to organizations that deliver services like child care and schooling. These folks do not naturally see themselves as customers of the Corporation. If we want applications from outside NASCC, we need to excite their interest. We should develop an outreach strategy to tell key groups about service and put them to work developing programs.

Attachment

To: Robert Gordon
Fax: 202-456-6420

From: Wendy Kopp

Date: 3-22-93

Re: Quantifiable Outcomes and National Service

I wanted to send a few thoughts to follow up on last week's conversation about quantifiable outcomes.

My feeling is that the service movement will prosper only if the primary goal is measurable, positive social change. I believe that the way to inspire people to become involved in service is to show them that they are becoming part of a larger movement which will effect change, and I also wonder whether the public's current predisposition toward service will last in the absence of an ability to show that it does produce measurable results.

Following are two recommendations: (1) that the language of the service movement should change slightly; and (2) that the state Commissions (I changed my mind about eliminating them) should be responsible for defining needs and ensuring quantifiable outcomes.



The Language of the Service Movement

Teach For America has always viewed itself as a *change* movement rather than as a "service" movement. Our goal is to mobilize young people – who are not yet socialized into the status quo and who believe that change is possible – to change the education system and, through that, to change America. Note the language of our first promotional brochure:

AMERICA NEEDS YOU

Foremost among the factors that threaten America's future is the state of the public school system. Consider the following statistics:

- On average, 3,600 students drop out each school day
- Students in the United States consistently score below those of almost all other industrialized nations in math and science
- 75% of 17-year-olds are unable to write an adequate analytic essay
- 1/3 of the U.S. population is functionally or marginally illiterate

This challenge calls for the attention and commitment of the nation's best minds....

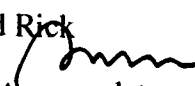
If I was Bill Clinton, I would begin my calls for national service with a call for change. I would *begin* by talking about the need to reinvent America. Then I would explain that young people are uniquely qualified to do that – because they believe that anything is possible, and because they still think more about the way things should be than about the way things are – and I would call them to action.

The State Role

While I said earlier that I was worried about the States playing a role in national service, I have come around to the idea of having a semi-public CNCS-type Commission in each State. Their function should be (in general terms) to define critical needs in their states, and to inspire, fund, aid, and evaluate organizations which produce, through individual and collective problem-solving and action, quantifiable outcomes which would address those needs.

18 March 1993

File

To: Eli and Rick
From: Susan 
re: foundations update

There has been a flurry of activity on the foundation front:

1. Joel Orosz and Stephanie Clohesy from the Philanthropy and Volunteerism program at the Kellogg Foundation will meet with Eli on Tuesday, March 23 at 10:00. A separate memo about the agenda for the meeting is attached.
2. Susan Beresford, Senior Vice President at the Ford Foundation, has invited Eli and me to New York for lunch and a conversation about developing a strategy for getting major national foundations to challenge community foundations around the country to fund local community service programs. Eli has suggested finding a date in the next two weeks for a trip to NYC during which he could visit with Ford, press, political leadership, a service visit - along the lines of the day in Chicago. I'll start a memo and ask Gloria and Diana to add to it.
3. David Haselkorn phoned today to follow up on the offer from David Rockefeller to organize two meetings to convene foundation programs officers and another to bring together foundation CEOs. We need to think through the timing and purpose for these meetings and get back to David Rockefeller/David Haselkorn.
4. The Council on Foundations meeting in Dallas at the end of April: We discussed the possibility of using the meeting for several purposes - an address by Eli and/or a meeting with community foundations to put a challenge to them to fund service programs in their communities. Can we get a commitment from national foundations to match the community foundation funds? Do we know enough about what we want to say to the foundation community?
5. Colin Greer and Mark Gelber have produced a second memo based on the conversation they had with Eli and me last week. Eli suggests quickly circulating their ideas with several of our friends (David Geffen, Peter Edelman, Bob Boorstin, others) for their reactions. Colin and Mark will be in Washington on March 30 and want to know if we would like to meet with them.

18 March 1993

To: Eli
From: Susan 
Re: 23 March meeting with Kellogg

Joel Orosz and Stephanie Clohesy from the Kellogg Foundation will meet with you at 10:00 on Tuesday, March 23. I spoke with Stephanie to find out what they expect from the meeting.

Stephanie will send a list of recent grants in the Foundation's philanthropy and volunteerism program to give us an idea of their interests. She recently sent a larger package of confidential material about the program, which I haven't yet reviewed.

They are eager to work with ONS. From this first conversation they would like to understand the direction the office will take after our initial focus on legislation. If ONS and Kellogg interests are similar (as they expect), they are willing to adopt a strategy for their own grantmaking that will be complementary to ONS priorities over the next couple of years. This is an extraordinary offer and one that we should give a lot of thought to.

If we have specific questions for them, I can fax them over the weekend.

MEMORANDUM

TO: ELI
FR: CHRIS
RE: BUCKLEY'S BOOK
DT: 2/14/93

I do not know the political ramifications of an official meeting between you and William F. Buckley, Jr. If such a meeting does occur, however, I hope my brief analysis of his book, Gratitude: Reflections On What We Owe To Our Country, proves helpful.

Buckley's book is more of an emotional plea than a policy prescription. For several chapters he rhapsodizes about his vision of a mandatory national service but only in a few pages does he propose the means to achieve his lofty ends. Once his methods are finally stated, however, I see very few in common with ours. Here's my summery, you be the judge:

- * Supports a mandatory national service program for all Americans.

- * Young Americans should work for a year between high school and college as a concrete expression of their "gratitude for liberties inherited and protected" (p.73) and as a requirement for college matriculation.

- * Not a welfare program. Although Buckley expounds on "what could be done", fighting social ills remains a beneficial consequence of imbuing Americans with "civic pride".

- * Supports a system of "rewards and sanctions" (much shorter on "rewards" than "sanctions") to reinforce the program. Possible sanctions for those unwilling to serve include denying high school diplomas, college matriculation, federal financial aid, social security benefits, drivers licenses, farm benefits, and FDIC's deposit guarantee.

- * Possible rewards for those who serve include tax credits and lower interest rates on loans. Buckley rejects "money-for-college", stipends, and cash subsidies of any kind (ie. "you won't get 10k for college but you will get your first 10k off in taxes once you become a productive citizen.")

- * Rejects federal financing of national service on the basis that states must take the lead in program development.

- * Supports the development of a National Service Franchise Administration (NSFA) composed of "volunteers" appointed by the President. The organization's main function would be to develop the requirements for achieving a "service certificate" (indicating the accomplishment of valid service) and to offer a "moral hand" in exercising sanctions on individual service-dodgers and "morally sluggish legislatures."

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File

~~CONFIDENTIAL~~
MEMORANDUM

TO: Eli, Rick, Jack
FR: Robert
DA: February 12, 1993
RE: What happens now

This memo is a little rambling, but I'll flatter myself and say I think it's important you read it soon.

Our draft legislation allows slots and funding to go to pre-, during- and post-college programs. The draft doesn't decide among them, but we've assumed that pre-college corps programs would capture most of the funding. We've made the assumption partly because pre-college corps programs are better developed than pre-professional models, but partly because the youth service lobby and the DLC folks have led us in this direction. And it's a good assumption: the legislation we have seen, though apparently open among outcomes, would probably have funded the pre-college model over others.

Now we are reminded that the President has little interest in this outcome, and we need to take a new direction. In the end, we may persuade the President to come back to the model we have developed. But we owe it to him and the people who elected him to take an honest shot at designing the program he wants. To do that, we need to escape the assumptions and the guidance of both the youth service community and the DLC.

For now, it seems more important for us to focus on mechanism and less on legislation. That is: what will need to happen to create the program that the President wants? The rest of this memo outlines in barest form some key issues.

The features of the President's program are as follows:

- post-college
- real job (limited group component)
- big benefit

He would probably want those who enter the program to become teachers, health care workers, and police officers. We should try to think of others.

We know from his rhetoric that the President does not want to see people who would have gotten jobs as teachers just getting a \$10,000 benefit when they take them. (In this case, it's certainly not "the best money we ever spent.") He wants to see one of two outcomes -- or really, I think, both:

DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: M DATE: 1/8/15
2013-01-16

A. Greater demand: People who previously wanted but could not find jobs as (say) teachers are able to take them because the program creates new slots.

B. Greater supply: People who previously did not want jobs as teachers decide to take them because of the program benefits.

With a \$10,000 benefit, plenty of people will want to teach who didn't before (category B). For some jobs, no special skills may be required; but for a job like teaching, they are. So we need to direct some of what we had called the operations/stipend funds into training programs on either TFA's intensive summer model or ROTC's school and summer model. (Note that to spend a lot of money training teachers who will quit after two years is not the best allocation of resources. Just the first of unions' problems here.)

The problem of demand remains. States and localities today do not have the money to pay teachers or police officers. If the federal government starts paying the salaries for teachers -- in addition to the \$10,000 -- costs skyrocket. And if salaries are cut -- bringing the states and feds into a cost-sharing arrangement -- unions go crazy. Leaving us a problem: The program Bill Clinton wants can offer up trained young people, but jobs may not exist for them.

Where do we go, then?

1. Need to see whether my conjecture is right -- whether, in fact, there are no socially-useful positions out there waiting to be filled.

2. Need to consider offering a federal subsidy to localities that hire national servers. (Walinsky confidentially suggests this to Klain, who passes it on to Baird, in the Police Corps case.)

3. Need to consider some slightly cut salary for servers -- a cut small enough to keep unions satisfied, but large enough to enable localities to do a few more hires.

Generally, we need to keep in mind that in switching to the President's model, we do find a little money to play with. City Year needed money for operations that schools and hospitals do not. City Year also needed stipend money -- and this money we may or may not need to pump back into slots.

Hope this helps. Remotely.

File

MEMORANDUM

TO: Eli
FR: Robert
DA: 1/22/93
RE: Meeting with Catherine Milton -- Some Important Issues

Issues for Discussion

1. Commission's current grantmaking process.
2. Federal/state/local division of responsibilities. Current role of state lead agencies. Strengths and weaknesses of approach. Potential for improvement. Alterations and alternatives.
3. CNCS's current Board. Potential responsiveness to BC, especially in light of our focus on only two of CNCS's four areas.
4. Board restructuring options: resignation of full current board; presidential appointment of chair; inclusion of secretaries of HUD and Defense.
5. CNCS's capacity. Ability to handle much larger program, with applications from both states and nonprofits, and orientation toward participants "slots" in addition to programs.
6. ACTION. Current relationship. Ultimate place of ACTION. Possibility of merger or folding ACTION into Commission. Changes that doing so would require. Pros and cons, politically and operationally, of current fragmentation versus future consolidation.
7. Points of Light Foundation. Success and failure. Role in new service system.
8. Challenge grant and match issue. How to balance desire to expand against need for local initiative. Appropriate ratio.
9. Capacity-building, publicity, etc. Current status of Commission's work. Ability to handle more.
10. Capacity for expansion of national service. Maximum number of slots by 1996.
11. K-12 and college programs. How to promote in small but significant way.

K-12 A
College B
Youth C
Corp
Nat'l D
Service

12. Fed grant program with "service"

Basic Background

* 27 members. Serving ex officio are the Secretaries of Education, HHS, Labor, Interior, and Agriculture; and the director of ACTION. 21 members are appointed by the President with the advice and consent of the Senate. No more than 11 can be members of one party.

* Chair. The chair is selected by the Board.

* Staff. Board selects executive director. She chooses staff, who are not civil service.

* Current vacancies. With the resignation of Alan Khazei, there are 6 vacancies, I believe. 7 vacancies will open up on 8/4/93.

* Appropriations. The Commission receives funding from the HUD, VA, and Independent Agencies Appropriations subcommittee, of which Mikulski is chair.

* Tasks. The Commission makes grants mainly in four areas:

Title A: K-12 (\$16.2 million) *Surveillance; by state*

Title B: Higher Education (\$5.1 million)

Title C: Youth Corps (\$20.6 million) *Kids in trouble*

Title D: National Service (\$20.1 million) *diversity - full year; collapse budget*

In addition, the Commission has made some small grants under Title E to "innovative projects" of Peace Corps and Foster Grandparents. *collapse*

The Commission also attempts to engage in "movement building" by providing technical assistance; helped the White House Office make points of lights awards; and contracted with an independent evaluator to study grantees.

* Grantmaking process: You should discuss with her the role of "state lead agencies." Galston and I are unsure.

* History and Outlook. 1992 was CNCS's first grantmaking year, and the Commission disbursed all its funds. It has about \$75 million again this year to make grants, and the process has already begun. CNCS requires a new authorization this year.

9:35

QUESTIONS FOR POLICY MEETING

1. **Federal organization.** Should we pull ACTION under an enhanced Commission? Should the many agency programs be consolidated or at least coordinated (recruiting, information, esprit de corps) through the Commission? Should the Commission structure be changed at all at this stage?
2. **Federal programs.** Should we support any federally-run programs (teacher corps, earth corps, Boren/CCC, Police Corps, etc.)? If so, how: by direct appropriations; by changing the 1/3-1/3-1/3 breakdown, and designating a portion specifically for federal programs; or by just letting agencies compete in states and the Commission with everyone else?
3. **Federal/state/local division.** Are we agreed on the "state lead agency" concept over either more local control or pure Commission control? Is there anything we can do to make the state agencies work better?
4. **Federal roles.** As currently written, will the legislation create enough unity across programs, provide for enough capacity-building, and ensure an adequate information and PR campaign? *original reflection esprit de corps*
5. **Eligibility.** Should pre-college vs. post-college and part-time versus both be left open or specified in the legislation -- and if specified, how?
6. **Trust Fund.** Are we comfortable with the trust fund covering the benefit, and with federal funds for stipends and operating costs coming from Title C and D grants?
7. **Benefits.** What should the voucher be worth? What should it be usable for?
8. **Stipend.** Should the stipend be standardized or left to local choice within a range?
9. **Eligible service.** Do we want to build in special support for a particular form of service (like corps), condition in service (like diversity), or goal of service (like children's welfare), or do we let a thousand flowers bloom?
10. **Challenge grants.** Should we require grantees to match federal money? If so, at what rate and how?
11. **Funding/Slots.** Do we need to figure out now what we want to spend, how many participants we aim to have when, or where we hope to find money (including Work-Study, JTPA, etc.)?
12. **Loan consolidation.** Beyond the expanded direct loan pilot and income contingent loan plans, do we want to move toward consolidation of current loan programs?
13. **Defaults.** What steps (if any) do we want to take to give enhanced incentives to guarantors to collect on loans and reduce default rates?

Internal Memorandum

To: Eli Segal and Office of National Service Staff

From: Kate Frucher

Re: Inventory of Department-sponsored Service Initiatives

Date: April 16, 1993

I. Enclosed Inventory

For each Cabinet Department we have included the following:

- * A cover memo which highlights certain agency-sponsored service programs and presents the agency's ideas for further program development.
- * Spreadsheets which present a comprehensive inventory of the department's agency-sponsored programs and employee voluntary programs.
- * In some cases, Josie has attached an additional memo for **internal use only** which suggests ways in which we could integrate the agency's existing programs into the National Service initiative.

For each Independent Agency we have included the following:

- * Spreadsheets which present a comprehensive inventory of the department's agency-sponsored programs and employee voluntary programs.

Note: This inventory is a work in progress. In most cases, the information we have collected has come to us directly from the Chief of Staffs' offices. They have made it very clear that the assessments are not yet complete. As our contacts learn more about their Department's various initiatives, they will pass the information on to us and we will add it to this inventory.

II. Process

Since mid-March, Peter, Josie, Laura, and I have been gathering information from each Cabinet Department. Judy Harrington at ACTION has been doing the same for the more than eighty Independent Agencies.

On the Cabinet side, we began by meeting with senior officials in each Department (in most cases the meeting included the Chief of Staff) to underscore the President's interest in promoting the "ethic of service" throughout the Federal Government. We updated them on the National Service Program and the Summer of Service and provided them with an information packet which described these initiatives in greater depth. We also asked them to give us any information they had on service-related programs sponsored by their Departments and began to discuss ways in which our offices could coordinate efforts. In the wake of these meetings, each Department designated a high-level national service contact.

In addition to these meetings, we sent out a number of memos through the Cabinet Secretary, both before and after our initial meetings, which reinforced our interest in working with them and reminded them about our request for information. I have enclosed two of these memos: the questionnaire we sent out before the meetings to frame our discussions; and the suggested report structure memo we sent out last week to give them a sense of how we were going to organize the report.

Judy Harrington also sent out a questionnaire in the early part of March (approved by our office) to all Independent agencies essentially asking them for the same information. She followed up on it at a meeting held in mid-March with community service representatives from most of the Agencies. Peter, Josie, and I also attended. Of course all memos, meetings, etc. have been complemented by numerous phone discussions with the departments and agencies which have taken place over the past few months.

III. Issues for Discussion

1). What We Should Do With The Inventory:

Recommendations:

* We should share this report with the President as we enter National Volunteer week. It demonstrates our interest in reinventing government by sharing information, attempting to avoid overlap and duplication, and streamlining wherever possible. Our efforts also show that we are working to promote the "ethic of service" throughout the government in a very tangible way.

* Press: Since the Administration has only been in place for 80+ days, most of the programs we have inventoried are Bush/Reagan initiatives. It is therefore not in our best interest to give them press. The ideas are Clinton Administration ideas and in most cases they are creative and interesting. But until they receive money and are implemented, they are not news.

2). Future Relationship Between Departments and ONS:

Since we have asked the Departments to designate senior officials as our Department contacts, we should keep in mind that these people are very busy. Before moving any further, we should develop a strategic plan and make some key decisions about how we would like to involve the Departments in the National Service program. I recommend that these officials be involved in discussions only when their input will be highly useful for both sides.

Questions and Possibilities:

(A). When we ask the Departments to promote the "ethic of service", should we allow them to apply directly to ONS or to the Corporation for funds or should we suggest that they request money directly from OMB as part of their Department's overall budget plan? (Note: there may be some technical legal questions to resolve here. Jack is looking into it).

Recommendations:

When we talked to the Departments, we suggested that as a tactical matter they should ask for funds from OMB. This way, in general, we would all get more "service for the buck." We may also want to stay away from their bureaucracies if we continue to sell National Service as de-centralized, community-based program. Still, many questions need to be resolved on this front:

- Since everyone is under pressure to severely limit discretionary spending, will the Departments want to ask for new money to develop or expand service-related programs? Even if they do ask, do we think that they will get it?

- How can we attach our "flag" to their programs if they are funded separately? (This brings up Diana's AmeriCorp/ AmeriCan issue). If they are somehow related, should we ask them to be consistent with our program design -- post-service benefit levels, health care and child care provisions, etc.

(B). Should we ask our contacts in the Departments to join an inter-Departmental task force which would meet periodically (eg. once a month)?

Recommendations:

This would be a good idea if we found that we consistently had something to talk to them about. I want to reiterate that we should not make meetings unless we have a good reason to convene them.

As a tactical matter, we might want to simply call officials when we have reasons to talk to them. If we avoid routinizing our interaction, we might be able to get more attention when we really need it.

(C). Suggested ways in which we should proceed:

*** We should work with the Departments as we begin to develop model corps.** Many of them have expressed interest in helping in this area and in some cases have even begun developing these sorts of corps within their agencies. They could provide us with valuable expertise.

*** We should use the Departments to help us get the National Service Program enacted and implemented.** Most Departments have thousands of field offices. Through these and other vehicles, (eg. newsletters, community-based organizations they work with, etc.), they could disseminate information, lobby Congress, supplement our current outreach efforts, and, in general, "talk up" National Service nation wide.

IV. Department Service-Related Programs -- Highlights

Agriculture: The Food and Nutrition Program (EFNEP)

Managed by the Cooperative Extension Program, EFNEP operates in all fifty states and Puerto Rico. Program volunteers assist low-income families in acquiring the knowledge, skills, and changed behavior needed to improve their diets and nutritional well-being. In 1991, 54,163 volunteers worked a total of 466,018 hours, providing an estimated \$2.3 million of service.

Commerce: Cities in Schools Program

This is a non-profit dropout prevention program that works with existing local social and educational services as part of a coordinated strategy to keep at-risk

youth in school at both the elementary and secondary levels. CIS workers use field trips, after-school classes, counseling sessions, and home visits to draw young people back into the system at 433 "projected sites" (targeted schools) across the country. CIS is funded as a joint project between the Department of Commerce, Department of Justice, and other federal agencies. DOC allocated \$530,000 in FY93 to the program.

Defense: Troops to Teachers

This program will train separated military personnel, terminated DOD and DOE civilian employees and displaced defense contractor personnel for public service jobs in education, health care, law enforcement and environmental positions. It has received FY93 funding of \$65,000,000, in part to provide salary offsets of up to \$25,000 annually.

Energy: Weatherization Assistance Program (WAP)

WAP is a financial assistance program established to reduce fuel use by enhancing energy conservation for low-income families, particularly the elderly and handicapped, through the installation of energy conserving measures in homes. Funds are provided by DOE to install insulation, windows, caulking, weather-stripping, and other improvements to reduce heat loss and fuel consumption.

Health and Human Services: The National Health Service Corps (NHSC)

of the Public Health Service is currently the model Department program demonstrating an ethic of service in a medically underserved community in exchange for educational financial assistance, although the total number of participants in the program is still quite modest. Recently the NHSC concept of community service has become a media icon through its portrayal on the popular TV series, *Northern Exposure*. The program had 1,265 participants as of September, 1992, about 75% of whom were physicians or medical students (the rest were other sorts of health professionals). The program is currently funded at \$120 million, with about 400 new scholarships each year.

Housing and Urban Development: Severely Distressed Public Housing Program

The Urban Revitalization Demonstration program, developed by Senator Barbara Mikulski (D-MD) in 1992 with national service in mind, is a competitive grant program for no more than 15 cities with grants of no more than \$50 million each. Grants are given to cities with severely distressed public housing for the rehabilitation and renovation of these public housing projects. Grant recipients must include a community service component that engages residents living in the housing projects in programs which address the project's unmet needs. Service programs could include drug abatement, crime prevention, tutoring/mentoring services, day care for children and elderly individuals, housing rehabilitation, or community health services. Participants in community service programs are eligible for a stipend that is drawn from the grant to the

PHA. The Commission of National and Community Service administers the service-related component of the grant.

Interior: Youth Conservation Corps

A Youth Conservation Corps program is funded and operated by both the National Park Service and the US Fish and Wildlife Service. It is a summer employment program for young men and women, ages 15 through 18, who work, learn and earn together by doing work projects that further the development and conservation of natural resources; e.g. trail maintenance, erosion control, etc.

Justice: Congress of National Black Churches Anti-Drug Abuse Program

This program is designing and testing a community organization strategy to address drug supply and demand reduction among youth and families in high-crime urban areas. The program helps church leaders mobilize community residents to join forces with State and local law enforcement agencies and social service agencies develop plans to rid their communities of illegal drugs. The program is expected to serve as a model for community organization which want to work against drugs use. FY93 funding for the program is just under \$1 million.

Labor: Job Corps -- Civilian Conservation Corps

The Civilian Conservation Corps is the portion of the Job Corps Program which is operated through government sponsors. Originally established under the Economic Opportunity Act of 1964, the Program is designed to assist economically disadvantaged young people in need of a multifaceted approach of job training and employment related services. The program operators offer both residential and non-residential facilities. (90% are residential.) The open entry, open exit, and self-paced aspects of the program allow students to pursue a wide variety of classroom and hands-on vocational skills training. Valuable contributions to local communities are made through conservation and public works projects as well as other aspects of community service.

Treasury: Agency-sponsored program

The Internal Revenue Service provides assistance to elderly tax-payers through the Tax Counseling for the Elderly program. This program, which served 1.6 million elderly tax payers in 1992, offers training and financial grants to private organizations which field volunteers to help elderly taxpayers file their returns accurately. All organizations which meet the Department's published guidelines are accepted into the program, and the amount of financial assistance granted to each depends on Congressional appropriations.

Veterans: Winter Sports Clinic

Promotes rehabilitation by helping physically disabled veterans develop winter sports skills through a variety of adaptive workshops. About 500 volunteers help coordinate this event

V. Department Ideas for Program Development -- Highlights

Agriculture: Expanding the role of USDA-affiliated Cooperative Extension Offices to incorporate more service initiatives.

Extension Service field offices nationwide are poised to play a leadership role in developing the infrastructure of service opportunities that the National Service program will need to survive in the long-run. Over 30 different Extension Offices submitted Summer of Service proposals. The proposals included a peer educators program in rural Southeast Colorado, a child care project in Hartford, Connecticut, a nutrition program state-wide in Mississippi, and a drug awareness project in Kansas City, Missouri.

Defense: Public or Community Service Jobs Registry

An existing registry could be expanded to include 1) military members and former members who request assistance in pursuing public and community service opportunities. 2) public service and community service organizations. The registry already includes information on military personnel's individual job skills, qualifications and experience, and various organizations' location, size, types of positions available.

Health and Human Services: Health for America Corps

A *Primary Care Intern Program* for high school students could complement the existing National Health Service Corps. These programs would allow young people to work in community and migrant health centers and Indian Health Service sites. The program would give young people excellent exposure to health professions and would help ease their entry into academic study and health-related careers.

Housing and Urban Development: McKinney Act Homeless Programs

Homeless programs provide many opportunities to link with the national service program because many providers currently rely on volunteers and therefore have established systems and programs to manage and train individuals. In addition, almost 90% of our grantees are nonprofits and therefore are eager to help. Community service participants could participate in several McKinney Homeless programs, including the Emergency Shelter Grant program, the Shelter Plus Care program, and the Single Room Occupancy program. Each of these programs provide grants to local service providers. National Service participants could work in shelters, build or renovate shelters and Single Room Occupancy buildings, manage life skills programs for homeless recipients, and work as caseworkers for homeless families.

Interior: Environmentors Project

This program would recruit Interior employees to become environmental issues mentors to young students in DC. The program would enable the Department to reach out to populations not ordinarily exposed to environmental issues.

Justice: Service Initiatives

Escort Service for Senior Citizens: Participants would provide escorts for the elderly to assist them with errands. They would also conduct phone surveys at arranged times to make sure that they are safe.

Conflict Resolution and Mediation: Participants would work with students, citizens, and neighbors, and businesses to settle/resolve arguments and disputes in a nonviolent fashion.

Late Night Basketball: Participants would serve as coaches and support personnel during odd hour programs such as late night basketball programs that provide activities for older teens and young adults.

As you read through the inventory please make changes wherever you think they are appropriate. This piece is still in draft form. As we prepare it for possible Presidential review, your help in polishing it would be greatly appreciated.

Summary of Responses to the Discussion Outline from Organizations

The following is a list of organizations and brief points summarizing their responses to our original discussion outline. Full texts of these responses follow in the same order as the summary. Two bullet points (••) indicates an idea worth addressing or, at least, considering (if you haven't already).

Haas Center for Public Service/Linda Cheu 3/12

- Youth involvement
- Decentralize
- Utilize existing networks
- Flexibility in individual placement
- Incorporate time for participants to reflect on experience

Young People for National Service/ Diane Jackson 3/19

- Regular group training and reflection
- Decentralize
- Single benefit level
- Youth involvement

OAVP/Frances E. Butler, Washington Representative 1/22

- OAVP must lead activities dealing with seniors
- want a statement by the President supporting OAVP programs
- AmeriCorps shouldn't outshine (ie. get more \$) OAVP programs
- Include and don't duplicate Action
- Don't want to be shut out by new State agency
- References to OAVP programs in Bill become "National Senior Volunteer Corps"

Volunteer Maryland/Ellie Young 3/15

- Decentralize
- Incorporate seniors (referred to as "Older Americans")
- Create "multiplier effect" by encouraging programs to constantly pull in volunteers (not necessarily obvious).

Roger Landrum/Youth Service America 3/16

- Change "public service jobs" to "national service opportunities"
- No benefit differential
- 100k participants should become 300k by State/local/private leveraging of \$
- "Reinventing Government" stuff good

SerVermont/Cynthia Parsons 3/13

- equal or higher percentage of pre-college participants
- can direct benefit graduate education.
- national data bank of available service opportunities at all schools and service organizations imperative

Samuel Halperin/American Youth Policy Forum 3/11

- full-time not part-time placements
- 10k benefit is too high
- no benefit differential

AFL-CIO/Joe Velasquez, Director 3/15

- partnership with local United Ways
- 200 full-time AFL-CIO community volunteers
- serving for 50 yrs. would like to help and stay involved

John Briscoe/PennSERVE 3/13

- must keep message on service not loan repayment (provides good language for message)
- 10k benefit too high
- "single-year venture capital grants" should read "three year venture capital grants"
- state commissions should be encouraged to create foundations to tap private and philanthropic funds

East Bay Conservation Corps/Joanna Lennon 3/15

- non-political state commission to maintain non-political selection of programs
- service-learning important

Don Eberly/National Service Secretariat 3/13

- mainly pre-college, post-college should build gradually
- conservation corps important
- mainly full-time placements, part-time experimental
- no benefit differential
- criteria for approved positions
- like Landrum, 300k participants not 100k by FY '97
- service "teams" (ie. City Year) should integrate talents

Wendy Kopp/Teach For America Date N.A.

- individuals making more than minimum wage and benefits should be eligible for loan forgiveness
- based on experience, Federally-run training difficult
- state commissions should be barred from making regulations and restrictions which might hamper service initiatives

Bernadette Chi/Young People for National Service 3/15

- decentralize
- ages 16-30
- no bureaucracy, state clearinghouse
- local training, peer support, and clear supervision imperative
- are benefits taxable?
- in-kind matches good
- state commission must include youth members
- will interest accrued over time counteract the reduction of payment through the income-contingency plan?
- youth involvement

James Kielsmeier, President/National Youth Leadership Council 3/18

- The subject of Kielsmeier's memo is the Summer of Service training plan. He does not reference the larger national service initiative nor does he address the legislative outline.

American Association of Colleges of Osteopathic Medicine/

- memo does not reference outline but rather explains how graduates from osteopathic medical schools could participate by assisting with primary care.

David Battey/Youth Volunteer Corps 3/16

- provides an outline for involvement of school-age youth (11-17)
- K-12 most important in development of "service ethic"
- decentralize, proper training, supervision, school-year and summer service components, service-learning, voluntary with no financial inducements, use existing infrastructure, local/private funds, close collaboration with schools, youth involvement, evaluation and measurable results

Stacey Leyton/USSA 3/16

- more money

National Center for Community Risk Management and Insurance/Charles Temper 2/26

- This memo is dated Feb. 26 and is not a response to the outline. The Center should be considered, however, in the development of criteria for "approved" service organizations. The organization deals with liability, insurance, and other risk management matters. In their own words, while others, "promote volunteerism and community service; we try to keep it viable." They are currently producing "Community Service Briefs" for the commission and will make all material available to our office (perhaps they already have).

YMCA/Dave Mercer 3/19

- YMCA played a key role in passing the NCS Act.
- Decentralized, build on existing programs, public/private, diversity, training and supervision, multigenerational, no displacement.
- Eli notes

Brevard Community College/ Maxwell King, President 3/29

- strengthen existing campus programs for part-time service
- leveraging should include in-kind as well as cash match

University of Idaho/ Harry L. Peterson 4/2

- maintain balance between asking for service and offering \$
- have programs during academic year - maybe continue through summer for full year program
- locate programs nears campuses
- quality control important - start program with winners

Campus Compact Center for Community Colleges/ Lyvier Conss 3/26

- no age limit on participants
- qualifying placement sites -- only 501(c)(3)s or organizations like COOL, Campus Compact etc.
- wage level concerns - managers should be able to earn above minimum wage
- public service entrepreneurs -- selection and types of jobs
- include those attending technical colleges
- concerns about matching funds - use of federal \$
- loan repayment -- will this include parents' loans and personal loans used for education?

University of Pennsylvania/ Sheldon Hackney 3/29

- how to select participants if demand for slots exceeds supply
- how to evaluate participants' performance
- continue in-school interest subsidy?
- part-time participant receive pro rata benefit?

University of Pennsylvania/ Ira Harkavy 3/29 & 2/22

- increase role for enrolled college and high school students - link internships to academic work
- consider university volunteer offices as approved placements
- approve placements for coordinators at public schools
- direct service efforts toward specific national goals (e.g. immunization)

Ohio Campus Compact/ Daniel Gardner 4/8

- concern about conflicting messages between service and financial aid
- want to be sure that other financial aid programs aren't decreased
- distribution of funds should be based on state populations

Barnard College 3/29

- program should stress service, not financial aid -- though aid programs should be included and improved
- provide assistance to middle class who don't qualify for other aid
- support income contingent loan repayment

U.C.L.A./ Charles E. Young 4/9

- concerns about economic class discrimination and cost of living differentials
- don't create new level of bureaucracy
- concern about creating a "break" in schooling between high school and college
- urge private sector involvement

National Assn. of State Universities and Land-Grant Colleges/ Marsha Adler 3/15

- memo raises lots of questions about the role of national service and how programs will be administered
- questions about placements -- who decides, how are they chosen, do people apply, do they have choices of placements, etc.

NASULGC/ Statement to Commission by C. Peter Magrath, President
(Given to Susan by Dr. Moses Turner at MSU)

- don't discriminate against non-traditional students
- don't place additional burden on "at risk" populations
- concern about "break" between high school and college
- don't take away from existing financial aid programs

National Assn. of Independent Colleges and Universities/ Richard Rosser 3/31

- community service is important goal -- but this should not be substitute for student aid programs or intervention programs to service at-risk youth
- post-service benefits should be pro-rated for part-time work
- evaluation component important
- students without large loan burdens should have some other incentives to serve
- matching requirement should not be mandatory
- equal compensation for equal work

AARP/ John Rother 2/24

- letter includes proposal for a national service program that was presented to Galston in December
- national goals should be part of the program (infrastructure, human services, public safety, etc.)
- consider additional incentives other than financial aid --"bank" for personal care services, home down payment, credits for pro bono legal assistance, etc.

AARP/ Marty Corry 4/1

- Gives examples, by explaining current AARP programs, of how older Americans can participate.
- AARP has established an interesting criminal justice program. Possible model for "nondisplacing" Public Safety work.

West Virginia Campus Compact/ Jeannie O'Halloran 3/25

- need to develop more mechanisms for service while in school
- can education institutions receive grants?
- percentage of match for leveraging funds

Campus Outreach Opportunity League/ Kristin Parrish 3/19

- include programs that strengthen the infrastructure of community involvement as placements
- youth involvement
- organizations currently working with students have networks that can be used to identify students for training and leadership positions

Michigan Campus Compact/ Julie Busch 3/23

- importance of partnerships with community-based organizations to build infrastructure for long-term sustainability
- make sure to give enough time for planning, implementation and evaluation into the RFP process

The Evergreen State College/ Terry Elliott 3/23

- diversity of participants
- concern that minimum wage stipend may preclude working poor - especially recent college graduates with children
- train locally

Campus Compact, Brown University/ Keith Morton 3/12

- single benefit level
- are we going to have people incurring large debts first who then won't be able to get one of the scarce program slots?

American Assn. of Community Colleges/ David Baime 3/12

- importance of part-time service option

Council of Independent Colleges/ Allen Splete 3/15

- do joint programs with private sector
- flexibility and freedom re matching requirements
- pro income contingent loans
- loan forgiveness should include graduate school

Jesuit Secondary Education Assn./ Rev. Carl Meirose 3/17

- Jesuit secondary schools include community service as part of curriculum
- "Jesuit Volunteer Corps" trained hundreds of young adults to serve in inner cities
- caution against high stipends and incentives -- would price other programs out of the market and lessen importance of "service" component

Washington State Campus Compact/ Terry Pickeral 3/22

- build on existing student service programs
- "national priorities" shouldn't ignore local need
- recruitment by states
- what about loans to parents? what type of loans qualify?
- train locally
- definition of "income" for "income contingent loans"
- use state offices of volunteerism

Marymount College/ Dr. Thomas McFadden 3/25

- matching funds shouldn't be on 1-to-1 basis

Students for Service Not Debt/ Pam Lanza & Glenn Hirsch 3/15

- include students who are already in debt
- include jobs in the education system

National Association of Service and Conservation Corps/ Kathleen Selz 3/17

- expand existing corps
- national system should coordinate recruitment and placement
- single benefit level
- \$5000/yr benefit to be used for loan forgiveness, high ed, training or other
- match requirement not more than 25% and should include in-kind
- corps should be able to go directly to national office for funding

- incorporate mentoring opportunities

NASCC/Lisa Woll 3/19

- Consolidate Commission and ACTION and fold into new Agency.
- Phase out ACTION regional offices
- Rename ACTION field offices
- Gives options for Fed./State relationship

Close Up Foundation/ Donna Power & Frank Dirks 3/19

- "Assistant Teacher Corps" should not look like it's supplanting certified teachers
- assign no less than 2 corps members per school for support and reinforcement
- 2 year planning grants needed at community level to develop comprehensive service plans

United Negro College Fund/ William Blakey 3/15

- continue subsidized and unsubsidized loans
- continue lending capital from private sources

Center for Civic Education/ Charles Quigley 2/26

- proposes a national civic service program for ages 17-25 including public sector internships, registering voters, helping citizens work with government, teaching civics, etc.

National Council of Nonprofit Assns./ Jane Robinson Ward 3/17

- these are 26 statewide associations of nonprofits that together form a national council -- they want to be included as part of the infrastructure for a national program

American Red Cross/ Maria P. Smith 3/15

- different benefit levels are fine
- \$5000 seems fine for pre-college -- should be flexible in application (trade schools, college prep courses, English-as-a second-language, etc.)
- separate important emphasis on "volunteerism" from summer jobs program
- lists other recommendations to strengthen concept of service and volunteerism

Project Service Leadership/ Kate McPherson 3/9

- help in school reform efforts that are currently underway

Bonner Scholars 3/20

- Model for "During College" piece except only for needy kids.
- Eli notes

Women in Community Service/Ruth Herman 3/24

- long association with Jobs Corps
- many opportunities in private non-profits
- volunteer staff should be considered in-kind contributions

Cal. State U. Sacramento/Don Gerth 4/2

•participants should be both affluent and needy.

Cal. State U. L.A./James Rosser 3/23

- use existing non-profit infrastructure
- must involve non-traditional students
- "During College" implementation should use existing structures of Campus Compact and Urban Community Service Grants Program.

Lance Ferderer

- Link to military conversion (ie.training, minority role models, wide range of experiences, etc.)

Julien Phillips Conversation 3/18

- See Roberts memo and Eli's notes.

Active Citizenship Today/Leonard Britton 3/31

- Use participants as supervised facilitators in K-12 service settings. Serve by teaching others to serve.

University of Redlands/James Appleton 4/2

- no benefit differential.
- must match be in dollars or can it be in-kind service as well?
- Independent colleges and universities must be included. They are often left out of state higher ed. decisions.
- Phase-in and overall participant numbers too small.

Cal. State U. Fresno/John Welty 4/1

- Make sure community organizations work together to reach optimum efficiency and service opportunities

Lesley College/Margaret McKenna 3/25

- Minimum wage only will limit types of participants
- Eli notes

City Volunteer Corps 3/26

- develop "approved" national service placements
- build administrative and programmatic capacity of existing programs
- oppose mandatory use of minimum wage (they don't get it)
- oppose requiring local programs to use federal monies to pay health and child care benefits. Should be local decision.
- local match not exceed 25%.
- benefit should be \$5000.00.
- Feds should have an 800 number to refer potential participants to local organizations.
- State structure good although existing programs should be able to apply directly to Feds directly for money.
- Eli notes

**GROWTH AND COST SCENARIO
FOR
NATIONAL SERVICE**

Staff Paper Prepared

for

Board Discussions

January, 1993



1. Introduction and Guiding Assumptions

What follows is a staff paper prepared for the Commission's Board of Directors for purposes of discussion. It is one among many possible scenarios of how a national service network might be quickly developed and what it might cost, extending the more general discussion of national service in Chapter 6 of the Commission's Report, "What You Can Do For Your Country". Given that this is largely a venture into uncharted waters, it is at best an indicator of magnitude and not a precise road map or accounting. All costs are projected in constant 1992 dollars and thus will likely be higher once inflation is accounted for. Finally, this scenario has not been fully reviewed with all of the programs discussed. It is a staff paper designed to help stimulate dialogue and debate. (All tables and charts referred to are found at the end of this paper.)

This scenario starts from the assumption that national service would consist of a network of diverse programs. It would have programs targeted at high school graduates and dropouts, college students, college graduates, professional degree holders and seniors. There also would be a balance between federally operated programs and locally owned and operated ones. To achieve this diversity, we have followed two principles in building this scenario. First, we have attempted to keep an even balance between programs geared to those not yet in college or not planning to attend college, and programs for those either in college or already graduated from college. Second, we assume that federally operated programs comprise no more than 25% of the slots in the national service network of opportunities. This ensures that federally operated programs do not dominate local ones. It may, however, take a couple of years to reach this goal given that federal programs account for about one third of the current placements and they are the easiest to expand. Using these two principles as guide posts, we have projected what developing such a network might entail.

Growth Projections

This scenario illustrates how a national service network could be developed over a three-year period. This would require a dramatic growth-rate, averaging about 50 percent annually, and would depend, among other things, not only on the availability of increased federal, state, local and private funding, but also the development of programs and leadership to provide high-quality opportunities for service.

Under this scenario, by the end of the first full year in which national service is funded and operational, the number of people involved in national service programs would double from the current level of 30,000 people involved in full-time civilian service (or the equivalent in part-time service) to 60,000. [See Table 1.]

After that, growth would continue at a rate of 20,000 additional slots a year--a rate that allows for evaluation and quality improvement--taking the network to a total of 100,000 participants by its third year. If at this point, national service has

demonstrated its worth and feasibility, the infrastructure already developed could provide a solid foundation further high-quality expansion, perhaps reaching as many as half a million participants - the size of the Civilian Conservation Corps at its peak. Chart 1 provides a picture of what such a national service network might look like, a picture lessons learned in the next few years might very well alter. A slower growth-rate is also possible and depending upon what we learn from the programs already underway, might even prove to be desirable. Nonetheless, the pattern of development illustrated by this scenario could be a useful guide even for a slower expansion.

Cost Projections

Currently the federal government already spends over \$250 million on federally operated full-time service programs,¹ and through the Commission is spending another \$45 million to support non-federal full-time programs.

Table 2 shows the three-year projected costs to the government per participant by program model. The total costs are shown in Table 3 and Table 4. All of these figures are ballpark estimates, based on many assumptions, most importantly that federal funds will be matched by other moneys. In the first year, the federal cost of national service would be just over a billion dollars. By the third year, the costs would have risen to almost \$1.6 billion for 100,000 participants. If non-federal costs are included, the total cost of national service rises to around \$2.1 billion.

In general, under the network described in this scenario the costs to the federal government fall into three major areas: 1) direct support of participants, 2) matching grants to participating programs for operation and stipends, and 3) support for network coordination.

Direct Support for Participants:

We assume that federal direct support of participants could come in the form of health insurance, day care, and post-service benefits usable for further training or for paying off debts incurred in training.

Health insurance would be made available to all participants in national service who lack other coverage. Current costs of health insurance for existing programs are very high—in the range of \$1,500 per participant. The National Association of Service and Conservation corps has negotiated a policy with a major insurer at a cost of around \$600 per participant for less comprehensive coverage.² In addition, other benefits, such as a day care allowance, may be necessary for some participants. We have estimated a cost of \$1,500 per participant on average to cover this allowance and other miscellaneous costs.

The post-service benefit, or reward for service could take several different forms, which require further analysis and discussion. The simplest, and the one currently

authorized by Congress for the Commission's programs, would be a fixed-sum certificate of \$5,000 given for every year of service. Some advocate a post-service benefit as high as \$10,000 per year of service, or graduated benefit levels based on age or educational attainment. Still others advocate forgiving a percentage of debt for each year of service. However, except where otherwise noted, this scenario assumes a certificate valued at \$5,000 per year of service, as is currently provided for in Subtitle D of the Act.

Support for Programs

If the federal government hopes to build a network of the size and quality envisioned in this scenario, it will need to provide programmatic support to local or state operated programs, as well as to cover the full costs of the 25% of programs that are federally operated. This scenario assumes that the support to the non-federally operated programs would come in the form of matching grants to bolster local commitment to program quality. To reflect a true partnership between federal and local sources, the level of the match could be set at 50/50. The non federal portion would come from state and local governments (including federal money that is locally controlled, such as Job Training Partnership Act and Community Development Block Grants funds), individuals, foundations, and the private sector. We assume that 5% to 10% of the total funding could come from non--governmental sources (the greater this percentage is, the more the programs will be entrepreneurial and locally responsive). The costs covered by the matching grants will vary with the program and thus will be discussed below.

Cost of Coordination at Federal Level

The final component of cost would be network coordination. As noted throughout this working paper the staff believes strongly that any network of national service should be highly decentralized, run largely by the states and communities where the service is being provided.

For the purposes of this paper we are estimating that the cost of federal coordination (whether by one or more agencies) would be 5% of total federal national service expenditures, or \$50 million in year one.

2. Discussion of Growth and Cost by Program Category

The programs that could be part of the national service network vary along many dimensions. From the perspective of cost to the federal government, however, the most important dimensions are whether they will be federally operated or just federally-supported, and whether they are team models or placement models as defined in Chapter 6 of the Commission's report "What You Can Do For Your Country." In addition, the models that we are calling professional and the Peace Corps will be more

expensive for reasons to be discussed below, while part-time models will be the least expensive.

Federally-Supported corps

There are currently around 15,000 year-round participants in youth corps around the country. The biggest obstacle to the growth of these corps has been funding. Most leaders of existing corps feel that they could double their programs within a year if they had more financial resources. In addition, there are communities currently without corps that might be inspired to establish them if federal matching funds were available. Therefore, we make the assumption that in the first year, corps could expand to 27,000 members, and in each of the following two years they could add another 9,000 to reach a total of 45,000 by the end of the third year [see Table 1]. This, when combined with the federally operated corps discussed below, would result in half of the national service opportunities being allocated to corps.

In existing corps the annual cost per year of service, exclusive of post-service benefits, varies significantly between \$10,000 and \$30,000. These costs cover stipends, (some pay the minimum wage of \$4.25 an hour and others pay a stipend of \$100 per week), team supervision, education and counseling, equipment and facilities, and central administration. Corps on the low end of the spectrum indicate that more money would allow them to significantly enhance the impact of their program on the servers and the community. Corps on the high end indicate that they would realize some economies of scale as they expanded. For this scenario, we estimate an average of \$15,000 annual operating cost per participant, exclusive of post-service benefit. Assuming a 50% match, the annual cost to the government of operating support would be \$7,500, on average. The total cost to the government annually, when post-service and other benefits are included would be approximately \$14,000 per participant.

Federally operated corps

There are currently no existing federally operated, full-time team based programs of any size. (There are summer programs operated by the Department of the Interior.) The recently passed Community Works Progress Act of 1992 amendment to the Defense Authorization Act authorizes, as part of military down-sizing, federally operated residential corps supervised by the National Guard and by the Commission. This will provide an opportunity to establish federally operated corps. However, it is our view that these corps should not overshadow the community-based corps that have evolved through grassroots efforts. Therefore, for this analysis, we limit the numbers in federally operated corps to 10% of the total corps enrollment. Table 1 shows the estimated growth from 3,000 federal corps members during the first year to 5,000 by Year 3. This would keep to the 10% split of federal and non-federal slots while allowing for experimentation and development of new models.

Given that there is no existing model, the cost per participant of these corps used in Table 2 is based on information on local youth corps. As noted above, on average, a typical youth corps' annual operating cost per year of service is around \$15,000, excluding post-service benefit. The total cost to the government, when post-service benefit and other benefits are included would be around \$21,500 per participant. We have assumed that this would all be incremental cost. However, perhaps these new federal corps will be able to draw on some existing federal resources (such as personnel, facilities, and supplies) to reduce this cost.

Non-Federal Placement

This category includes a mixture of individual placement and individual placement/group identification models as defined in the Commission's report. Current examples of the group model are Teach for America with 1,300 participants and the Jesuit Volunteer corps, with 430 people providing non-sectarian service. In addition, the Commission funded several models of this type under Subtitle D (Delta Service Corps, Oklahoma Health Care Volunteers, Volunteer Maryland!, Seneca Nation Language Link and Pennsylvania Service Corps) The Washington Service Corps provides the closest example of an existing individual model. The number of 5,000 current servers in Table 1 for this category is a rough extrapolation.

The advantage of group and individual models is that they can be expanded quickly because the organizations where the servers are placed provide the majority of the supervision. (The sponsoring organizations, however, will require training and support to allow them to make effective use of the servers). The significant interest shown by college students in serving full-time after graduation in return for debt relief, and the fact that many of these programs are currently oversubscribed, leads us to assume that many people would be interested in serving in this kind of program.

Given the strong demand for this type of service opportunity, and the wide diversity of potential programs through which these service opportunities could be offered, we estimate that the number involved in this kind of service could double in the first year to 10,000. 3,500 slots added in each of the following years mean a total of 17,000 slots by the end of the third year. While we recognize that this would represent less than 2% of the estimated 1 million students who would be graduating with some debt each year³, we believe it is the best approach to ensure that quality is maintained.

The cost to the government for many of these programs is low because the sponsoring organization pays all or part of the server's stipend or salary and often also covers health insurance. This reflects the fact that most of the people in these programs will be more experienced and educated and thus able to bring marketable skills to the organizations where they are serving. Teach For America and the Jesuit Volunteer corps both operate in this manner. The costs to the federal government would be half of the operating costs of the programs through which the servers are placed and the post-service benefits.

The operating costs for these programs would also vary widely depending on the amount of structured group interaction, training, placement service, and reflection provided by the program. We have assumed that the more structured models would account for the majority of opportunities and thus have used a cost estimate at the high end of the spectrum. Teach For America, which has a very heavy training and group interaction emphasis, has annual operating costs of approximately \$5,000 per participant.

Assuming that the federal government were to pick up half this cost and that in half the models the sponsoring organization pays the stipends, the result would be about \$5,000 per server on average, the amount indicated in Table 2 for operating costs.⁴ Insurance costs would also be only 50% of the \$1,500 average because in about half the cases the sponsoring organization would pay for insurance. The average total cost to the government of these programs would thus be around \$11,000 per service year.

Federally operated Placement

The only existing example of a federally operated placement model is VISTA, which currently has 3,300 volunteers. According to VISTA staff members, there is more than enough demand on both the side of the servers and the agencies looking for servers to almost double to 6,000 the number involved by the end of the first year if the funds were available. In each of the following two years, 2,000 participants would be added bringing the total to 10,000 by Year 3. Faster growth than this might be possible, but it would have to be kept at this level to hold to the assumption of only 25% federal slots.

At the end of their service, VISTA volunteers receive a bonus of \$95 a month for each month of service or \$1140 if they serve a full year. We have assumed that this would be increased to \$5,000 to achieve parity if a national service network is established. The cost of operating VISTA is hard to determine because the same staff work on both VISTA and other ACTION programs. VISTA staff members estimate that annual costs could be kept at around \$2,000 per participant as the program expanded to scale. Adding in \$2,000 of miscellaneous costs for training and support, the federal contribution for stipend and operating costs would be in the range of \$12,000 per service year. The total cost to support a participant for a year would thus be around \$18,500.

Peace Corps

The Peace Corps currently has around 6,300 participants. We estimate slower growth for the Peace Corps for several reasons. The expansion of an international program requires extensive lead time and is costly. The Peace Corps has made many of these investments already and believes it is ready to grow. The Peace Corps also believes it has demonstrated the capacity to manage rapid growth and has grown in

recent years. Given our urgent domestic needs, we have assumed that the expansion of domestic programs would be the first priority. Therefore, as indicated in Table 1, the Peace Corps grows to 7,000 servers the first year and adds 500 each of the following two years, bringing it to 8,000 at the end of year 3. This, however, is lower than the Congressionally mandated 10,000 participants. Peace Corps current plans call for growth to 9,300 participants by Year 3.

This program is more expensive because of the logistics involved in operating an international program. The current cost per Peace Corps volunteer is approximately \$39,000 per year of service; however, the incremental cost for a new Peace Corps volunteer in an existing site is \$9,000. This includes health insurance and a readjustment bonus of \$2,600 which we have again assumed would be increased to \$5,000 for parity reasons. This may, however, not be necessary for the Peace Corps given that volunteers receive extensive training, overseas experience and access to fellowships. Assuming some economies of scale, we estimate that the Peace Corps could operate at \$33,500 per service year exclusive of insurance and post-service benefits, which means a total cost of \$40,000 per service year. The Peace Corps believes that the cost per service year or expansion will be significantly lower than \$40,000 because a high percentage of the cost is fixed.

Professional

The professional models are designed to attract skilled professionals (usually advanced degree holders) to underserved areas. The National Health Service Corps is the best-known example of this model, helping people pay for medical school loans in return for practicing in underserved communities. It does this through two programs, its scholarship program and the more recently begun loan repayment program. The scholarship program, which began in 1974, offers to pay for a year of medical school in return for a year of service in an underserved community. Last year, 3200 applicants applied for 365 spots in the program. Participants choose the numbers of years they wish to commit to, most agreeing to three or four. In return for this commitment they receive tuition, books, and a living stipend of about \$800 per month for each year of service. When they graduate, they choose where they will serve from a list of qualified organizations that the Health Service assembles. While in service the organization where they work pays participants the entry level wage for their organization. There are currently around 400 people serving in the field through this program; over 14,000 people have gone through since its inception.

For the 365 people accepted into the program this year, the Corps set aside \$29 million dollars to cover the total costs of tuition, living stipend and books. Those 365 people contracted for 934 years of service. Therefore, the estimated cost per year of service for the people accepted into the corps this year was \$31,138 (up 17% from the previous year because of the increasing costs of medical school).

The loan repayment program was begun in 1988 and has accepted about 700 people since its inception. For each of the first two years of service they can get \$25,000 in loans forgiven. For each year after that, \$35,000 in loans are repaid. In addition, they

receive a 39% bonus on the amount of loans paid off to cover the taxes they have to pay on the payment they receive. The organization where they are working provides their salary. Last year 914 people applied and 326 were approved (230 of whom were primary care physicians). They committed to 747 years of service. To cover the loan costs for these people, the National Health Service Corps set aside \$22.7 million, an average of \$28,816 per year of service. There are currently around 600 people in the field through this program and other similar state and Indian Health Service programs.

This results in the average post-service benefit, in the form of loan forgiveness, for the National Health Service Corps being much higher than with other programs--it's an average of around \$30,000 per year of service. Salary and insurance costs are picked up by the agency where the doctor works, but all the other operating costs for placement and training are picked up by the government. These costs, however, are mixed in with the other costs of the National Health Service and thus must be estimated. An average of \$3,000 per service year has been used in Table 2, making the total cost, including the post service benefit, come out at around \$33,000.

We have assumed no growth in the first three years from the current level of 1,000 people in the field because of the unique nature and cost of this model. In subsequent years, however, once a solid foundation is laid in the other program areas, professional programs could be expanded to such areas as the already existing Legal Services Corporation, or starting new programs for engineers, architects, managers, and others.

Part-Time

There is great potential for expanding the number of people serving in part-time models. These models fall into three groups based on different target populations: people still in high school such as those in New York's City Volunteer Corps, Youth Volunteer Corps (YVC) programs or other part-time year round corps programs; people in college like those in the Bonner and INVST programs; and people not in school such as in many of the Commission's Subtitle D models. The number in Table 1 of 2,400 currently involved is an extrapolation based on programs targeted at all three groups. All of the models would involve a regular weekly commitment by the server after school or work or on the weekend, as well as a full-time commitment during the summer or vacations. Servers would be expected to participate for at least three years.

The Bonner Scholars is the largest existing model of this kind with over 900 college students currently participating. Given the large number of service institutions already existing on college campuses and in some high schools, and that part-time programs do not require people to stop doing what they are currently doing, it is our belief that the numbers participating through this type of program could be expanded dramatically with federal support. The same would be true for many youth corps that have summer programs (currently about 5,000 people are participating in summer programs) that could be expanded to include a part-time component during the school year, as is currently done in the CVC and some of the YVC programs. The Subtitle D models will add significant numbers of part-timers, some of whom will be adults.

Finally, many senior citizens may be attracted to part-time options, and they could constitute a large additional source of skilled servers.

Based on the above, it is our assumption that 6,000 people could be placed in part-time programs by the end of the first year. This would then be expanded by 4,000 per year to create a total of 14,000 part-time slots by the end of year 3. We believe this is achievable because there are so many potential participants who could be placed through the already existing programmatic infrastructure. For instance, if more work study funds were made available to support this kind of program, there are many students who would be interested in serving and they could use the already existing service programs on campus to get placed. Given that there are currently 875,000 work study students, there is a large pool to draw from.⁵

The costs of this type of program would vary. We have assumed a post-service benefit of \$2,000 per year of service. (This is the figure in the Act.) The need to pay stipends would vary. People employed or students not requiring financial aid would not need to be compensated, except for the possibility of a stipend for work done during the summer or after school. For example, YVC programs currently do not provide any stipends, yet they have been able to attract a diverse mix of servers.

Students or adults with financial needs would require some stipend to remove the financial barrier to service. For college students, this could come in part from existing work study funds. Most participants in these programs could also get their insurance either through their school or employer. A conservative estimate for operating costs per part-time server year would be in the range of \$3,000. This is close to the average current yearly contribution made by the Bonner Foundation to the Bonner Scholars. Some of this would be matched, so we have assumed an average a federal contribution for stipends and operating costs of \$2,000 per service year. With post-service benefit the total federal cost would be \$4,000 per service year. The incremental federal cost per service year, may however, end up being much lower than this estimate, depending on how many people require stipends and what percent of the cost is picked up by the government as opposed to non- federal sources.

3. Total Cost

Under this scenario, an estimated total cost for national service for the federal government would be just over \$1 billion in the first year, rising to \$1.6 billion by the third year [see Table 3]. Adding in the non- federal cost, the total rises to over \$1.3 billion in the first year and to just over \$2.1 billion in the third year. Table 4 breaks this cost into four components: post-service benefits and insurance for the participants, federally operated program support (including stipends but excluding post-service benefits and insurance), non- federal program support (including stipends but excluding post-service benefits and insurance), and network coordination.

There are certain as yet unknown variables that will have an impact on these figures, such as deferment of interest on loans during service, attrition rates, and taxation of benefits. If interest is deferred on student loans during service this will add

to the overall costs, although much of this cost is already covered by existing loan deferment provisions. Secondly, attrition, which has historically been high in many of these programs, could reduce costs significantly. The level of this impact will depend on whether post service benefits are pro-rated based on length of service and the lapse in time between when a participant exits a program and a new recruit fills the vacant slot. Finally, the decision about whether to tax stipends and benefits will impact costs. Given that post-service benefits and stipends are designed to reimburse for expenses, many argue that they should not be taxed. Others argue that, while we might want to increase the stipends and benefits to cover taxes, we definitely should count them as taxable income because one of the main purposes of national service is to prepare youth for the demands of citizenship, and paying taxes is one such demand.

4. Factors Reducing Cost

Establishing a national service network could help drive down costs in several other areas of federal spending:

Reduction in Loan Defaults

Last year there were around \$3 billion in defaults on student loans.⁶ Creating a national service network should reduce these defaults because people will now have an alternative way to meet their debt obligation. It is important to note, however, that in the early years of the national service network there will be a limited number of slots and thus only a small percentage of those graduating with debt will be able to reduce it through service. Therefore, national service alone will not be able to impact on the majority of student loan defaulters..

Work Study for Part-Timers

The federal government has authorized around \$800 million dollars for college work study in fiscal year 1993. Beginning in fiscal year 1994, schools are required to use at least 5% of their work study money to support community service.⁷ To the extent that some of this money is earmarked for community service it will reduce the need of the federal government to finance a majority of the part-time models.⁸

Ties to Social Welfare Programs

Currently, service is being tested as a way to help people make the transition from welfare to work (one example is the Oklahoma model the Commission funded under Subtitle D). If this is feasible, some portion of the \$11.5 billion spent by the federal government on AFDC in 1990 could be used instead to expand such programs.⁹ Similarly, since service programs are an effective way of preparing at-risk youth for the world of work, perhaps even more than the portion of JTPA's funds now spent in support of corps and summer service programs could be channeled to the national service network. In addition, service could be incorporated into some of the \$955 million appropriated to the Job Corps Programs in fiscal year 1992.¹⁰

¹Peace Corps, VISTA and the National Health Service Corps

² Interview with Tony Perez, Executive Director, Milwaukee Community Service Corps, 10/13/92.

³ Interview with Jamie Merisotis, Executive Director, National Commission on Responsibilities for Financing Post secondary Education, 11/92.

⁴ Assumes government pays \$2,500 of the \$5,000 operating cost for all participants and \$5,000 of the \$10,000 stipend for half the participants, or another \$2500 on average.

⁵ "Trends in Student Aid, 1981-1991", The College Board, NYC, NY, 1991, p. 9.

⁶ "Student Loans: An Overview of Issues and Options", Issue Brief, National Commission on Responsibilities for Financing Post secondary Education, June 1992, p. 3.

⁷The Federal Work Study Program authorized by 42U.S.C.. 2751.

⁸ Interview with Senator Wofford's Office, 12/30/92.

⁹ Interview with Herb Lieberman, Administration for Children and Families, Office of Family Assistance, 10/15/92.

¹⁰ Letter from Deputy Assistant Secretary of Labor, 1/7/93.

Table 1

Potential Number of National Service Slots by Program Model

	Current Situation	Year 1	Year 2	Year 3
Team-based Programs				
Nonfederal Youth Corps	15,000	27,000	36,000	45,000
Federally Operated Corps	0	3,000	4,000	5,000
Individual Placement Programs				
Nonfederal (e.g., TFA, JVC, DELTA)	5,000	10,000	13,500	17,000
Federal Domestic (e.g., VISTA)	3,300	6,000	8,000	10,000
Peace Corps*	6,300	7,000	7,500	8,000
Professional Programs (e.g., NHS Corps)	1,000	1,000	1,000	1,000
Part-time Programs (e.g., YVC, Bonner)	2,400	6,000	10,000	14,000
Total Participation	33,000	60,000	80,000	100,000
Precollege/Non-college	45%	50%	50%	50%
College/Postcollege	55%	50%	50%	50%
Federally Operated	32%	28%	26%	25%
Nonfederally Operated	68%	72%	74%	75%

*Peace Corps current plans call for expansion to 9,300 participants by Year 3.

Chart I

Potential Distribution of National Service Opportunities - 500,000 Participants

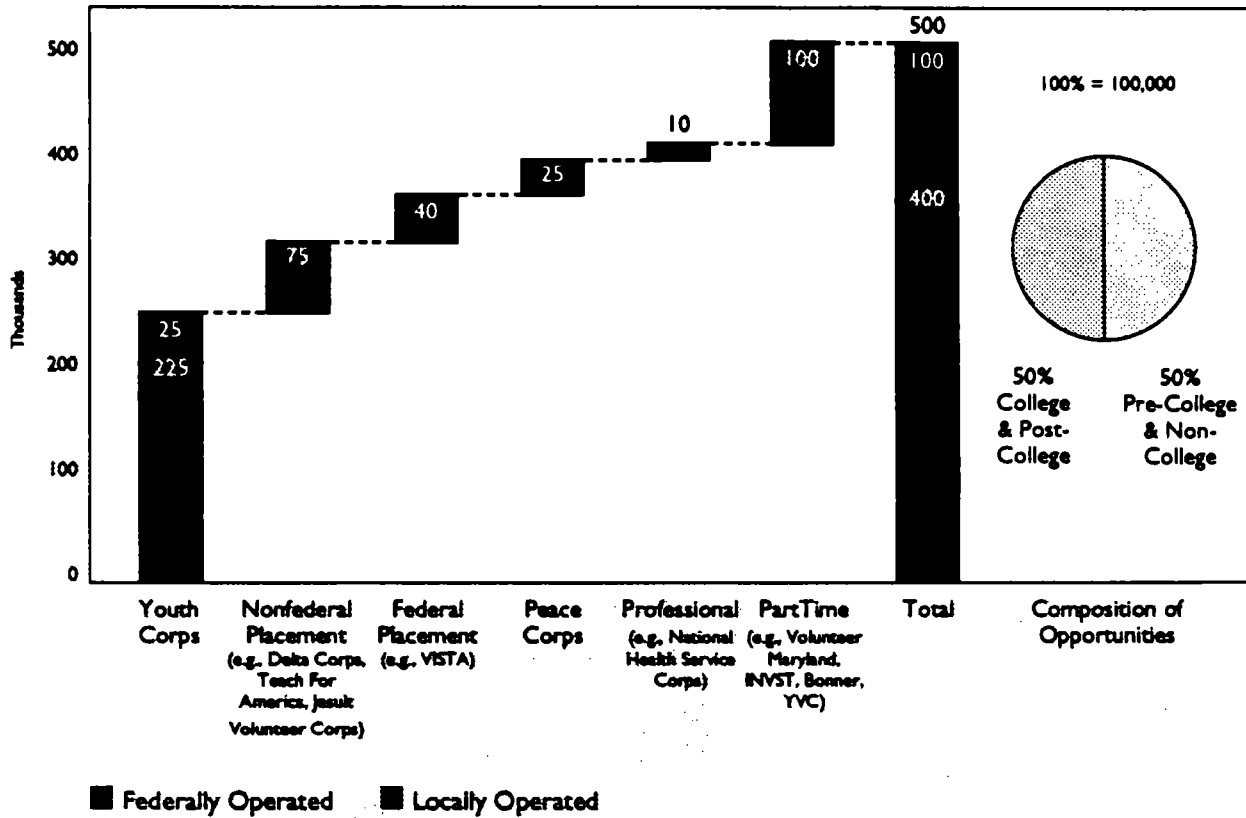


Table 2

Potential Annual Federal Cost Per Slot by Program

	Stipends and Operating Cost	Postservice Benefit	Insurance/ Other Benefits	Total Federal Cost
Team-based Programs				
Nonfederal Youth Corps	\$7,500	\$5,000	\$1,500	\$14,000
Federally Operated Corps	\$15,000	\$5,000	\$1,500	\$21,500
Individual Placement Programs				
Nonfederal (e.g. TFA, JVC, DELTA)	\$5,000	\$5,000	\$750	\$10,750
Federal Domestic (e.g., VISTA)	\$12,000	\$5,000	\$1,500	\$18,500
Peace Corps*	\$33,500	\$5,000	\$1,500	\$40,000
Professional Programs (e.g., NHS Corps)	\$3,000	\$30,000	\$0	\$33,000
Part-time Programs (e.g., YVC, Bonner)**	\$2,000	\$2,000	\$0	\$4,000

*Peace Corps believes that the cost per service year of expansion will be significantly lower than \$40,000 because a high percentage of the cost is fixed.

**Part-time costs are for the equivalent of between one-half and one-third of a service year.

Table 3
Potential Total Federal Cost
\$ in Millions

	Year 1	Year 2	Year 3
Team-based Programs			
Nonfederal Youth Corps	\$378	\$504	\$630
Federally Operated Corps	\$65	\$86	\$108
Individual Placement Programs			
Nonfederal (e.g., TFA, JVC, DELTA)	\$108	\$145	\$183
Federal Domestic (e.g., VISTA)	\$111	\$148	\$185
Peace Corps*	\$280	\$300	\$320
Professional Programs (e.g., NHS Corps)	\$33	\$33	\$33
Part-time Programs (e.g., YVC, Bonner)	\$24	\$40	\$56
Total Federally Operated Programs	\$489	\$567	\$646
Total Nonfederally Operated Programs	\$510	\$689	\$869
Total Program Cost	\$998	\$1,256	\$1,514
Federal Coordination (5%)	\$50	\$63	\$76
Total Federal Cost	\$1,048	\$1,319	\$1,590
Nonfederal Cost	\$322	\$435	\$548
Total Cost	\$1,370	\$1,754	\$2,138

*Because totals were based on total average cost, and approximately one-third of Peace Corps total average cost is fixed, Peace Corps estimates the dollar amounts contained in this table would support significantly more participants than those indicated in Table 1.

Table 4

Potential Program Cost Exclusive of Post-service Benefit and Insurance
\$ in Millions

	Year 1	Year 2	Year 3
Team-based Programs			
Nonfederal Youth Corps	\$203	\$270	\$337
Federally Operated Corps	\$45	\$60	\$75
Individual Placement Programs			
Nonfederal (e.g., TFA, JVC, DELTA)	\$50	\$68	\$85
Federal Domestic (e.g., VISTA)	\$72	\$96	\$120
Peace Corps*	\$235	\$251	\$268
Professional Programs (e.g., NHS Corps)	\$3	\$3	\$3
Part-time Programs (e.g., YVC, Bonner)	\$12	\$20	\$28
Total Federally Operated Programs	\$355	\$410	\$466
Total Nonfederally Operated Programs	\$265	\$358	\$451
Total Program Cost	\$619	\$768	\$917
Total Postservice Benefit	\$307	\$395	\$483
Total Insurance/Other Benefit	\$72	\$93	\$115
Federal Coordination (5%)	\$50	\$63	\$76
Total Federal Cost	\$1,048	\$1,319	\$1,590

*Because totals were based on total average cost, and approximately one-third of Peace Corps total average cost is fixed, Peace Corps estimates the dollar amounts contained in this table would support significantly more participants than those indicated in Table 1.

THE WHITE HOUSE

WASHINGTON

May 20, 1993

INFORMATION

MEMORANDUM FOR CHRISTINE VARNEY

FROM Rob Gordon III, Office of National Service 

SUBJECT An Invitation to Attend a Luncheon with The Belgian Ambassador

You should know that I have been invited to lunch with the Belgian Ambassador, Juan Cassiers, at his residence today. I was invited because I am scheduled this coming Monday to meet with the President of the Flemish Socialist Party from Belgium, Mr. Frank Vandenbroucke. Kathie Guroff, the Senior Program Officer at USIA asked me to meet with Mr. Vandenbroucke and his advisor, Dirk Drijbooms, to discuss the content of the national service program, funding and strategies for building support (Summer of Service). Both gentlemen will be at the Ambassador's residence today.

File

MEMORANDUM

TO: Eli, Rick, Jack
FR: Robert
DA: March 12, 1993
RE: Conversation with David Osborne

Osborne is happy to help out; we should stay in touch with him.

Primary points

- Watch out for state offices and state plans:
 - State bureaucracies are just as bad as federal ones.
 - Without precautions, national service will end up at the mercy of hostile governors in many states.
 - With small national, local programs of the type we support, political pressures are relatively weak at the federal level, but very strong at the local level.
- If state offices are used, structure them as independent corporations with appointed boards similar to those contemplated for the federal level. Give authority over planning to these boards -- not to persons directly responsible to the governor's offices (asymmetry with federal structure). Require states to fund these corporations in order to receive federal funding. Benefits of this structure, as opposed to offices within governor's offices:
 - Insulates state structure from governors. Even if governors have appointive power, they do not have day-to-day control.
 - Allows states to set up a new administration while bypassing the troubled old bureaucracies.
 - Avoids civil service rules, government budget rules, etc., that agencies must follow but corporations need not.
- Instead of picking and choosing among elements of state plans, evaluate the output of states every year, and shift funding accordingly. The advantages of this approach are that it:
 - Avoids politicization of the grantmaking process at the federal level.
 - Forces state corporations to take their planning duties seriously and do a good job at it, without threatening federal interference with their workings.
 - "Picking winners" is not the business of the federal government; rewarding success is.

You may ask why the states are better prepared than the feds to pick winners. Osborne's answer, I think, is that if you insulate state offices from local political pressures, their local knowledge will make them the right ones to do local planning -- without federal interference. With the independent corporation structure, the feds need not micromanage states -- not doing so is better for both; they need only judge results.

- To avoid having to take in a lot of lousy ACTION employees, give them "right of first consideration" but not a guarantee of a job. Just guarantee them a job somewhere, and spend some money placing them.

Follow-up

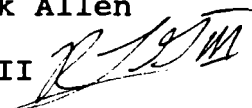
- Send some written questions to Osborne soon, to keep him involved.
- Learn about this "first consideration" possibility.
- Talk to the person he recommended.
- Learn about state corporations -- feasibility of requiring them in all states. Who to call on this?

THE WHITE HOUSE

WASHINGTON

March 26, 1993

MEMORANDUM FOR Eli Segal
Rick Allen

FROM Rob Gordon III 

SUBJECT Site Selection for the 21-25 June 1993 Summer of Service Training Week

I. SUMMARY

On March 25, 1993, members of the Office of National Service, The Commission on National and Community Service, the J1, Joint Staff, and the Park Service attended a meeting with the leadership of the Presidio in San Francisco and Treasure Island to determine an adequate housing and training site for the Summer of Service training week (See Appendix 1 for the participants' names). The purpose of these meetings was to allow the Office of National Service to make a reasoned decision on the optimal training week site.

II. DISCUSSION

The day began with a meeting at the Presidio. Lieutenant General Glynn Mallory, the Presidio's commanding general, briefed the group and took them on a tour of Presidio's facilities. While he fully supported any decision to use the Presidio as the main site, he expressed reservations that the post could feasibly accommodate more than 500 participants. In fact, he felt that major modifications and contracting would have to occur to properly house and train those 500. For example:

- (1) Soldiers would have to be moved out of their billets early and, in some cases, be required to move twice.
- (2) The Presidio would have to contract out for feeding arrangements and additional furnishings.
- (3) It had extremely limited classroom facilities.
- (4) Due to contracting requirements, per capita participant costs would increase to \$200 per day.

Consequently, the group sought an alternative site, traveling to a naval installation, Treasure Island, to inspect its facilities. Upon inspection all group members felt Treasure Island was the optimal choice for the following reasons:

- (1) It can house 1,700+ participants in two buildings.

- (2) It's facilities can feed 2,000 people in two shifts.
- (3) It's officer's housing could accommodate VIP's and SOS staff.
- (4) It's isolation (it is in the middle of the bay) enhances after hours control.
- (5) It's on the base closure list, which is a political plus.

There are still some issues which need to be resolved:

- (1) Actual training space on Treasure Island is questionable and may have to be supplemented.
- (2) The command must still obtain an accurate count of classrooms.
- (3) The "boondoggle" perception is a concern; therefore the visuals need to be considered.
- (4) Security arrangements are a small challenge. There are some sailors who will be in close proximity to the participants.
- (5) Latrine and shower facilities are limited and may have to be supplemented.
- (6) The two housing facilities provide different quality of life for participants. Need to consider how we determine who gets to live in the good billets.
- (7) Must research the feasibility of ferry transportation to the San Francisco urban area.

III. RECOMMENDATION

That Treasure Island be used as the main training site for the SOS training week, and that we proceed in resolving the aforementioned issues. That the J1, Joint Staff, also task other installations to provide additional training space, if needed. That the Park Service provide a response into use of park building facilities for classroom space.

Enclosure

cc: Phil Caplan
Jennifer Eplett Riley

Tentative List of Attendees
PRESIDIO OF SAN FRANCISCO
Thursday, March 25, 1993

Name	Title
Chuck Baerlin	Chief Administration and Mgmt. Services, CGNRA
Tina Cheplick	Project Manager, Summer of Service Training, CNCS
Colonel Crider	Chief of Staff of Presidio
Tracy Fortmann	Management Analyst, CGNRA
Chris Gallagher	Program Assistant, CNCS
Robert Gordon, III	White House Fellow & Director of Special Operations
Marti Leicester	District Ranger, Ft. Point & Presidio District National Park Service
Howard Levitt	Chief, Communications & Public Affairs, CGNRA
Lt. General Glynn C. Mallory, Jr.	6th Army Commander
Martha Matsueka	Assistant for Planning, Presidio Council, CGNPA
Catherine Milton	Executive Director, CNCS
Charley Money	Director of Business & Finance, CGNPA
Lt. Colonel Randy Morris	Joint Planner for Manpower & Personnel
Greg Moore	Executive Director, CGNPA
Bryan O'Neill	General Superintendent, CGNRA
Julien Phillips	Program Director, Summer of Service Training, CNCS
Colonel Greg Renn	Garrison Commander
Nan Stockholm	Director, Presidio Council, CGNPA
Steve Thomas	Consultant, CNCS

TO: National Service Staff
From: Rick Allen
Date: Feb. 10, 1993 *Rick*
Re: Paper Flow

Paper Flow System

In order to ensure that our files ⁰⁻ are complete and that the entire staff is kept up-to-date on important policy and planning matters, please note the following:

- * Copies of all memos and letters leaving the office under Eli's name (except for personal notes, resumes, and the like) should be given to Karen and placed in an "outgoing" chronological file.
- * Copies of all memos coming to the office addressed to Eli (except for those mentioned above) should be given to Karen and placed in an "incoming" chronological file.
- * Copies of all documents recieved by others of us in the office which address key policy and/or planning issues should be placed in the "incoming" file.
- ** Please note that everyone is encouraged to read the office files whenever required/desired.

Thank you for your attention to these matters. Hopefully, these measures will keep us all in touch with eachother's projects and with the progress of the office as a whole.